



EXECUTIVE CHAMBERS
HONOLULU

BENJAMIN J. CAYETANO
GOVERNOR

September 18, 2001

EXECUTIVE MEMORANDUM

MEMO NO. 01- 09

TO: All Department Heads

SUBJECT: Fiscal Year 2002 Budget Execution Policies and Instructions

The grievous events of September 11, 2001 are expected to result in increased economic uncertainty, both globally, and within our own State.

In anticipation of possible revenue shortfalls due to an economic slowdown, departments are immediately directed to exercise extreme caution and prudence in all their **expenditure decisions**. Economic conditions may require the Council on Revenues to reduce its revenue projections for the State when it meets in December, or if it meets earlier, as conditions warrant.

Accordingly, departments are asked to be extremely cautious in all their spending, and to exercise particular restraint in expenditures for travel, equipment purchases, and the filling of vacancies. It is hoped that these immediate precautions will preclude the necessity of taking more drastic actions later, such as the imposition of statewide restrictions.

I cannot overemphasize the importance of your cooperation during these trying times and in the days ahead.

BENJAMIN J. CAYETANO